

HOUSE BILL NO. 538

INTRODUCED BY C. STEENSON

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING HEALTH INSURERS OFFERING MEDICARE SUPPLEMENT POLICIES TO PROVIDE COVERAGE TO MEDICARE-ELIGIBLE INDIVIDUALS UNDER 65 YEARS OF AGE WHO ARE DISABLED AND ELIGIBLE FOR MEDICARE PART B; ESTABLISHING LIMITS ON PREMIUMS; AMENDING SECTION 33-22-904, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Coverage of disabled. (1) An issuer offering a medicare supplement policy or certificate in this state shall offer coverage to all individuals, regardless of age, who are entitled to medicare part B benefits because of a disability as defined in 42 U.S.C. 416(i)(1)(A).

(2) An individual who is eligible for coverage under this section may apply for a medicare supplement policy or certificate within 6 months of the date on which the applicant became eligible for medicare part B benefits because of the person's disability.

(3) An issuer of a medicare supplement policy or certificate:

(a) shall make available to a person qualifying for medicare part B because of a disability each type of policy or certificate the issuer offers to a person qualifying for medicare because of age;

(b) may not condition the issuance or effectiveness of a policy or certificate issued under this section upon the health status, claims experience, receipt of health care, or medical condition of the applicant; and

(c) may not set a premium for a policy or certificate issued under this section that is higher than the premium for the same policy or certificate offered to an individual who is 65 years of age.

Section 2. Section 33-22-904, MCA, is amended to read:

"33-22-904. Standards for policy provisions -- rules. (1) A medicare supplement policy or certificate in force in this state may not contain benefits that duplicate benefits provided by medicare.

(2) The commissioner shall adopt reasonable rules to establish specific standards for policy provisions of medicare supplement policies and certificates. A requirement of this code relating to minimum required policy benefits, other than the minimum standards contained in this part, may not apply to medicare supplement policies

1 and certificates. The standards are in addition to and in accordance with applicable laws of this state, including
2 the provisions of ~~Title 33~~, this chapter 22, and may cover but are not limited to:

- 3 (a) terms of renewability;
- 4 (b) initial and subsequent conditions of eligibility;
- 5 (c) nonduplication of coverage;
- 6 (d) probationary periods;
- 7 (e) benefit limitations, exceptions, and reductions;
- 8 (f) elimination periods;
- 9 (g) requirements for replacement;
- 10 (h) recurrent conditions; and
- 11 (i) definitions of terms.

12 (3) The commissioner may adopt reasonable rules that prohibit policy or certificate provisions not
13 otherwise specifically authorized by statute that, in the opinion of the commissioner, are unjust, unfair, or unfairly
14 discriminatory to any person insured or proposed for coverage under a medicare supplement policy or certificate.

15 (4) Notwithstanding any other provisions of the law, a medicare supplement policy or certificate may not
16 exclude or limit benefits for losses incurred more than 6 months from the effective date of coverage because it
17 involved a preexisting condition. The policy or certificate may not define a preexisting condition more restrictively
18 than a condition for which medical advice was given or treatment was recommended by or received from a
19 physician within 6 months before the effective date of coverage.

20 (5) The commissioner may adopt rules necessary to conform medicare supplement policies and
21 certificates to the requirements of federal law and federal regulations, including but not limited to rules:

- 22 (a) requiring refunds or credits if the policies or certificates do not meet loss requirements;
- 23 (b) establishing a uniform methodology for calculating and reporting loss ratios;
- 24 (c) ensuring public access to policies, premiums, and loss ratio information of issuers of medicare
25 supplement insurance;
- 26 (d) establishing a process for approving or disapproving policy forms and certificate forms and proposed
27 premium increases; ~~and~~
- 28 (e) carrying out the provisions of [section 1]; and
- 29 ~~(e)(f)~~ establishing a policy for holding public hearings prior to approval of premium increases."

NEW SECTION. **Section 3. Transition.** A person who is eligible for medicare part B because of a disability and who is under 65 years of age on [the effective date of this act] may apply for medicare supplement insurance 90 days before and up to 6 months after [the effective date of this act] to obtain coverage.

NEW SECTION. **Section 4. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 33, chapter 22, part 9, and the provisions of Title 33, chapter 22, part 9, apply to [section 1].

NEW SECTION. **Section 5. Effective date.** [This act] is effective January 1, 2010.

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